

## Message Text

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PAGE 01 STATE 154758

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C O N F I D E N T I A L STATE 154758

FOR ENDERS AND JULIUS KATZ

FOLLOWING REPEAT TRIPOLI 0741 ACTION SECSTATE INFO ABU DHABI ACCRA  
ALGIERS ANKARA BEIRUT BELGRADE BRASILIA BUENOS AIRES CARACAS JAKARTA  
JIDDA KINSHASA KUWAIT LAGOS LONDON MADRID NASSAU PARIS QUITO ROME  
TEHRAN TUNIS VALLETTA VIENNA 26 JUN 75

QUOTE

C O N F I D E N T I A L TRIPOLI 0741

BEIRUT PASS BAGHDAD

E.O. 11652: GDS  
OXAGS: EALR, ENRG, LY  
SUBJECT: WHO ARE LIBYA'S CUSTOMERS? NATIONAL OIL SALES DURING  
FIRST FOUR MONTHS 1975

REF: (A) TRIPOLI 156  
(B) INTERNATIONAL OIL DEVELOPMENTS (ER IOD 75-24)  
19 JUNE 1975, PAGE 6

1. LIBYA HAS BEEN SELLING INCREASING AMOUNTS OF ITS NATIONALIZED,  
TAX-FREE CRUDE OIL ON WORLD MARKET. WHILE TOTAL CRUDE LIFTINGS  
DURING FIRST QUARTER 1974 DROPPED TO 88,866,500 BBLS (987.4 TBPD)  
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PAGE 02 STATE 154758

COMPARED TO 94,553,008 BBLS (1027.7 TBPD) DURING FINAL QUARTER 1974,

NATIONALIZED SALES FOR SAME TWO QUARTERS INCREASED FROM 19,657,800 BBLS (213.7 TBPD) TO 25,565,500 BBLS (284.1 TBPD) IN THE FIRST QUARTER OF 1975, A BPD INCREASE OF 32.9 PERCENT. NATIONALIZED SALES, WHICH CONSTITUTED 20.79 PERCENT OF TOTAL SALES IN THE EARLIER QUARTER, WERE 28.77 PERCENT OF THE TOTAL DURING THE FIRST THREE MONTHS OF 1975.

2. (FOR PURPOSES THIS MESSAGE, NATIONALIZED OIL SALES INCLUDE ALL LIBYAN NATIONAL OIL COMPANY LIFTINGS FROM RAS LANUF, BREGA AND SIDER TERMINALS, FOR WHICH WE HAVE CONSIGNEES, ALL LIFTINGS FROM HARIGA TERMINAL--THE FULLY NATIONALIZED BP PRODUCTION--FOR WHICH WE HAVE LITTLE CONSIGNEE DATA, AND NONE OF THE OIL LIFTED FROM ZUWEITENA TERMINAL. BUY-BACK OIL LIFTED BY COMPANIES IS NOT INCLUDED IN NATIONALIZED SALES FIGURES.)

3. NATIONALIZED OIL SALES, WHICH ARE MADE OUTSIDE OPEC TAX-PAID-COST FLOOR PRICE MECHANISM, ARE SUBJECT TO DISCOUNTING, AS TAX-PAID-COST OIL IS NOT. OIL INDUSTRY SOURCES HERE ESTIMATE THAT MOST OF THIS OIL IS SOLD MORE CHEAPLY THROUGH A VARIETY OF MEANS--FREIGHT OR PRICE REBATES, HIGHER PRICED IMPORTS TO LIBYA, LONGER CREDIT TERMS OR WHATEVER OTHER MEANS LIBYANS CAN EMPLOY TO INDUCE HIGHER SALES. SINCE PRODUCTION COST IS LESS THAN 10 PERCENT OF OFFICIAL SALES PRICE, DISCOUNTING OPTIONS CAN COVER WIDE SPREAD. ADDITIONALLY, GIVEN LIBYAN REGIME'S POLITICAL OUTLOOK, DISCOUNTING FAIRLY EASY WAY INCREASE POLITICAL INFLUENCE WITH CERTAIN COUNTRIES.

4. CONSIGNEES, NATIONALIZED LIBYAN CRUDE, FROM THREE TERMINALS, FINAL QUARTER 1974, FIRST QUARTER 1975, IN THOUSANDS OF BARRELS:

CONSIGNEE	FINAL QTR 1974	FIRST QTR 1975
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BAHAMAS	3,175	2,814.4
SPAIN	2,971	3,497.8
ARGENTINA	2,196.2	2,504.9
BRAZIL	1,980.2	---
AUSTRIA	941	1,124
GHANA	428.3	1,141.2
YUGOSLAVIA	270	---
ZAIRE	256	465

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PAGE 03 STATE 154758

WEST GERMANY	---	1,509
FRANCE	---	381.6
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TOTALS	12,217.7	13,437.9

SARIR (HARIGA PRODUCTION--CONSIGNEES UNDETERMINED:

7,440.1 12,127.6

GRAND TOTAL--SALES NATIONALIZED

CRUDE      19,657.8    25,565.5

5. NATIONALIZED OIL LIFTINGS FOR APRIL TOTALLED 8,296,500 BBLS FOR A SLIGHT DECREASE IN DAILY PRODUCTION FROM 284.1 TBPD (FIRST QUARTER) TO 276.5 TBPD (APRIL). NEW CUSTOMERS INCLUDED THE UNITED STATES (481,500 BBLS) AND ITALY (1,114,100 BBLS). OTHER SALES WERE TO FRANCE (1,070,900 BBLS), ARGENTINA (443,700 BBLS), SPAIN (260,500 BBLS), ZAIRE (287,000 BBLS), GHANA (150,000 BBLS) AND BAHAMAS (636,200 BBLS). SARIR (HARIGA) LIFTINGS TO UNDERTERMINED CONSIGNEES TOTALLED 3,85,600 BBLS. SIMILARLY, NATIONALIZED LIFTINGS AS A PERCENTAGE OF TOTAL SALES DROPPED DURING APRIL TO 25.2 PERCENT.

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